

General Real Estate Terms and Definitions:

Acre – A measure, usually of land, equal to 43,560 square feet in any shape.

Acreage – Any parcel of land which may be measured in terms of acres.

Appraisal – An opinion of value based upon factual analysis.

Appraised value – An opinion of the value of a property at a given time, based on facts regarding location, improvements, etc., of the property and surroundings.

Cashiers Check – A check drawn by a bank on itself rather than on account of a depositor.

Cash Sale – A sale for full payment in cash, as opposed to credit sell.

Certified Check - A personal check drawn by an individual which is certified to be good. The bank holds the funds to pay the certified check and will not pay any other checks drawn on the account if such payment would impede payment of the certified check.

Closing – In real estate sales, the final procedure in which documents are executed and/or recorded, and the sale is completed.

Closing costs – Expenses incidental to sale of real estate, such as loan fees, title fees, appraisal fees, etc.

Commission – An amount, usually as a percentage, paid to an agent as compensation for his services.

Condominium - Is an estate consisting of (1) an undivided interest in common in real property, in an interest or interests in real property, or in any combination thereof, together with (2) a separate interest in real property, in an interest or interests in real property, or in any combination thereof.

Cottage Sites - Generally used for seasonal recreation, but are leased on a year round basis. Cottages are owned by lessees.

Cropland - There are two categories of cropland – irrigated cropland and non-irrigated or “dry” cropland. Dry cropland, unlike irrigated cropland, is not irrigated with well water or canal water, but is watered only by precipitation. Water for irrigated cropland is usually supplied by means of wells or canals from irrigation districts.

Deposit – Money given by the buyer with an offer to purchase. Shows good faith. Also called earnest money.

Easement - A right created by grant, reservation, agreement, prescription, or necessary implication, which one has in the land of another.

Encumbrance – A claim, lien, charge, or liability attached to and binding real property. Any right to, or interest in, land which may exist in one other than the owner, but which will not prevent the transfer of fee title.

Grantee – One to whom a grant is made. Generally the buyer.

Grantor – One who grants property or property rights.

Lands – Lands are material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock or other substance, and include free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed and rights in the use of airspace granted by law (IC 55-101A).

Lease – An agreement by which an owner of real property gives the right of possession to another for a specified period of time and for a specified consideration.

Leasehold improvements – Improvements made by the lessee.

Lessee – Party to whom a lease is given in return for a consideration.

Lessor – The party who gives the lease in return for a consideration.

Mineral Lands - Are those lands that contain significant amounts of valuable minerals. Minerals include everything from gold, silver, gravel, molybdenum, garnet, phosphate, clay, etc.

Mineral Rights – The ownership of the minerals of value which may be taken by mining, such as coal, iron, copper, gold, silver, etc. Mineral rights, as well as oil rights, may be sold or leased separately from the land itself.

Owner - Includes, but is not limited to, a purchaser under a deed of trust, mortgage, or contract, or a person who takes the subject property under a life estate.

Personal property - Every kind of property that is not real is personal.

Real property - Real property or real estate consists of:

1. Lands, possessory rights to land, ditch and water rights, and mining claims, both lode and placer.
2. That which is affixed to land.
3. That which is appurtenant to land.

Right of Way – A strip of land which is used as a roadbed, either for a road or railway.

Residential real property - Means real property that is improved by a building or other structure that has one (1) to four (4) dwelling units or an individually owned unit in a structure of any size. This also applies to real property which has a combined residential and commercial use.

Seller - Means the owner of residential real property.

Transition lands - Are those lands, which, are used for a significantly lower purpose than their highest and best use would dictate. These lands are typically found near developing areas.

Trust – A fiduciary relationship under which one holds property for the benefit of another.